

**Before the
FEDERAL COMMUNICATIONS COMMISSION**
Washington, D.C. 20554

| | | |
|---|---|----------------------|
| In the Matter of |) | |
| |) | |
| NOVACOM, INC. |) | |
| |) | |
| Petition for Waiver of Sections 54.719(a) – (c) And |) | WC Docket No. 06-122 |
| 54.723(a) of the Commission’s Rules |) | |
| Form 499 Filer ID No. 831458 |) | |
| Request for Waiver of USAC Administrator’s |) | |
| May 20, 2016 Invoice and June 16, 2016 Invoice |) | |

REQUEST FOR WAIVER

Novacom, Inc. (“Novacom”) hereby respectfully requests a waiver pursuant to Sections 1.3 and 54.719(c) of the Commission’s Rules of the Universal Service Administration Company (“USAC”) assessment of late fees and penalties associated with its 2014 and 2015 FCC Form 499A filings, and any similar late fees and penalties associated with its 2003 through 2013 FCC Form 499A filings.¹ USAC’s assessment of late fees and penalties based on Novacom’s late filings of Form 499A would impose an undue hardship upon Novacom, would be unequitable, and would not lead to an effective implementation of overall policy on an individual basis. Accordingly, Novacom requests that the Commission waive all late fees and penalties assessed, or may still be assessed, against the Company due to late Form 499A filings.

¹ Although Commission policy requires parties to first petition USAC for an appeal of a USAC decision prior to filing an appeal with the FCC, the Commission allows requests for waivers of Commission rules without first appealing to USAC. See Appeals & Audits, USAC.org, <http://www.usac.org/about/abut/program-integrity/appeals.aspx>.

Background

Novacom is a small paging and messaging company that has been in business since 1996 and operates in the state of Illinois. In January 2016, Novacom received a letter from USAC dated December 28, 2015 stating, in part, that USAC had no record of Novacom having submitted any filings pursuant to 47 C.F.R. 54.706(a). As a result of this letter, Novacom discovered for the first time that it was required to make Form 499A filings.

Upon registering with USAC and indicating that Novacom had been in the paging business prior to 1999, USAC notified Novacom that the company was required to file FCC Form 499A filings for 2003 to 2016. In response, Novacom completed and filed the requested Form 499A filings from 2003 to 2016 which indicated that the company met the “de minimis” threshold for its FYs 2003 to 2016 revenue, and owed no direct contributions to USAC for the universal support mechanism (the (“Fund”). Nevertheless, in May 2016, Novacom received an invoice from USAC for late fees and penalties in the amount of \$4,000 for the filing of the company’s 2014 to 2015 Form 499A filings (Exhibit A). In June 2016, Novacom received an additional \$40,800 assessment of late fees for the years 2008 through 2013, and learned that the total amount of assessed late fees and penalties is \$44,800. (Exhibit B).

Novacom maintains that there is good cause to waive the assessed late fees and penalties, and any additional late fees that have not yet been assessed by USAC for the company’s Form 499A’s that were filed late. Accordingly, for reasons state herein, the Commission should grant the Company a waiver of Sections 54.711 and 54.713, and remove all late fees and penalties assessed, or to be assessed, associated with Novacom’s Form 499A filing for the years 2008 to 2015.

Good Cause Exists For The Waivers To Be Granted

The Commission may waive its rules for good cause shown pursuant to 47 C. F. R. § 1.3. Further, the Commission may exercise its discretion to waive a rule where the particular facts make strict compliance inconsistent with the public interest. *Northeast Cellular Telephone Co. v. FCC*, 897 F. 2d 1164, 1166 (D.C. Cir. 1990) (*Northeast Cellular*). Moreover, the Commission may take into account considerations of hardship, equity, or more effective implementation of overall policy on an individual basis. *WAIT Radio v. FCC*, 418 F. 2d 1153, 1159 (D.C. Cir. 1969)(*WAIT Radio*), cert. denied, 409 U. S. 1027 (1972); *Northeast Cellular*, 897 F.2d at 1166.

Here, good cause exists for Novacom's requested waivers of Sections 54.711 and 54.713 and the public interest would be served by waiving the applicable rules under the special circumstances described herein, because the late fees and penalties would be a hardship upon Novacom, would be unequitable, and would not lead to an effective implementation of overall policy on an individual basis.

A. USAC's Penalties Impose an Undue Hardship Upon Novacom

Should the late fees and penalties of \$44,800 by USAC not be waived, Novacom will suffer an undue financial hardship. As shown by its 2016 Form 499A, the Company earned only \$82,185 in paging and messaging service revenue for 2015. Therefore, the Company would correspondingly pay approximately fifty five (55) percent of its 2015 revenue from paging and messaging service to pay the late fees in full. Consequently, the late fees and penalties impose a heavy financial burden on a small company that but for having not filed its Form 499A filing timely, would have no direct financial obligation to USAC to contribute to the universal service mechanism since it qualifies as *de minimis* company. Indeed, the imposition of these late fees

and penalties would cause a serious financial setback for the company and could cause the company to cease operations altogether.

B. Requiring Novacom To Pay The Invoice For Late Fees And Penalties Is Inequitable Upon Novacom

Without the requested waiver, inequity will result to Novacom because they would be required to pay approximately \$44,800 in late fees and penalties even though they are a *de minimis* company that owed no contributions to USAC and the company's failure to file the Form 499As timely did not cause harm to the Fund.

C. A Waiver Would Be In The Public Interest and Would Lead To An Effective Implementation Of Overall Policy

Granting Novacom a waiver of the late fees and penalties would benefit the public interest and would lead to an effective implantation of overall policy. First, it would foster effective compliance of the filing requirement without the impact of severe late fees and penalty sanctions by a company who is not a contributing company and has unknowingly failed for several years to file a Form 499A. Second, the late fees and penalties, as they relate to the 499A filings, are meant to ensure that companies timely report contributing revenue in order for USAC to ultimately invoice contributing companies to collect money to support the Fund. Since Novacom is a *de minimis* company and is, therefore, not a contributor to the USF support mechanism, the late Form 499A filings caused no harm to the Fund. Lastly, Novacom's individual situation is distinguishable from a company who is an actual USF contributor that has failed to file a 499A for several years because a contributing company's failure to report the contributing revenue does cause harm to the Fund.

Conclusion

Novacom requests a waiver of Sections 54.711 and 54.713 because there was no harm to the Fund and there is good cause in this particular case to waive the late filing fees and penalties because strict enforcement of the late filing penalties in this case would be inconsistent with the public interest, would unfairly penalize Novacom, and would cause a substantial undue financial hardship on the Company.

Respectfully submitted,

NOVACOM, INC.

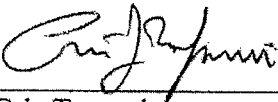
By: 
Cris Trapani
President

EXHIBIT A – FIRST USAC INVOICE



Filer 499 ID: 831453
 Invoice Number: UBDI0000846001
 Statement Date: 05/20/2016
 New Balance: \$ 4,000.00
 Payment Due Date: 06/15/2016
 Amount Enclosed:

Novacom, Inc.
 Attention: Cris Trapani
 P.O. Box 578,
 Herrin, IL, 62948

Mail Payment To:

Universal Service Administrative Company
 PO Box 105056
 Atlanta, GA 30348-5056

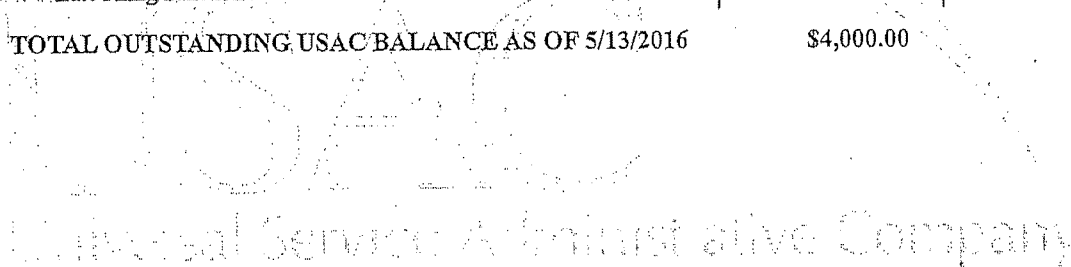
Address Change? See reverse side for instructions.

☐ If paying for multiple Filer 499 IDs, please check here and complete form on back.

Send top portion of statement with payment in enclosed envelope. Keep bottom portion for your records.

STATEMENT OF ACCOUNT

| Date | Description | Charges | Credits |
|---|----------------------|-------------------|---------|
| | Previous Balance | | \$0.00 |
| 05/13/2016 | Late Filing Sanction | \$4,000.00 | |
| TOTAL OUTSTANDING USAC BALANCE AS OF 5/13/2016 | | \$4,000.00 | |



Transactions occurring after 05/13/2016 are not reflected on this statement.

Under the Debt Collection Improvement Act of 1996 (Pub. L. 104-134) (DCIA), your BALANCE DUE is a demand that you pay a DEBT owed to the United States on or before the DUE DATE. If the DUE DATE is non-business day, payment must be received the business day before that date. Any portion of the DEBT unpaid after the DUE DATE is a DELINQUENT DEBT, which may result in sanctions, including interest, penalties, and administrative charges. Failure to file a Telecommunications Worksheet may result in a late filing fee DEBT added to your BALANCE DUE. Read the reverse of this Invoice for important information about those sanctions and your legal rights and obligations.

| Statement Date | Invoice Number | Filer 499 ID | Balance Due USAC |
|---|----------------|--|------------------|
| 05/20/2016 | UBDI0000846001 | 831453 | \$ 4,000.00 |
| FORM 499Q DATA This month's support mechanism charges were calculated using an FCC contribution factor of 0.179000 and the following revenue data: <u>February 2016 499Q</u> 120b 120c If the figures do not correspond with your records, please contact USAC Customer Service at 888-641-8722 | | PAYMENT INFORMATION All payments received (regardless of specific instructions) will be applied to your outstanding USAC balance in historical order as outlined in FCC order 07-150. Please remit ACH payments in a CCD+ format to ABA #071000039, Account #5590045653. All Wire Transfers should be sent to ABA #026009593, DDA (or Account) #5590045653. Payments must include your Company Name, Filer 499 ID, and Invoice Number to ensure timely posting. | |



Filer 499 ID: 831453
 Invoice Number: UBDI0000846001
 Statement Date: 05/20/2016

DETAILED SUMMARY OF CHARGES AND CREDITS

SUPPORT MECHANISM CHARGES

Your monthly support mechanism charges were calculated according to the following formulas:

LIRE Eligibility

If a carrier's quarterly interstate revenue equals less than 12.00% of their combined quarterly interstate and international revenue, the carrier is eligible for the Limited Interstate Revenue Exemption (LIRE). Based on your 499Q data, your interstate revenue equals percent of your combined interstate and international revenue. Therefore, you are eligible for the LIRE exemption. As a result, your international revenue will not be used in determining your quarterly contribution base.

Quarterly Contribution Base

The quarterly contribution base is a portion of your quarterly revenue that USAC considers when determining your quarterly Universal Service Fund contribution. The quarterly contribution base equals your interstate plus international revenue. Your current quarterly contribution base equals:

$$\frac{\text{Interstate Revenue (Line 120B)}}{\text{Interstate Revenue (Line 120B)}} + \frac{\text{International Revenue (Line 120C)}}{\text{International Revenue (Line 120C)}} = \frac{\text{Quarterly Contribution Base}}{\text{Quarterly Contribution Base}}$$

Adjusted Quarterly Contribution

USAC adjusts carriers' quarterly contribution bases by the amount that they are expected to contribute in that quarter. The calculation for an adjusted contribution amount is as follows, and takes into account the circularity deduction:

$$\frac{\text{Quarterly Contribution Base}}{\text{Quarterly Contribution Base}} * \frac{0.179000}{\text{FCC Contribution Factor}} = \frac{\text{Unadjusted Contribution}}{\text{Unadjusted Contribution}}$$

$$\frac{\text{Unadjusted Contribution}}{\text{Unadjusted Contribution}} - \left(\frac{\text{Unadjusted Contribution}}{\text{Unadjusted Contribution}} * \frac{0.153228}{\text{FCC Circularity Factor}} \right) = \frac{\text{Adjusted Contribution}}{\text{Adjusted Contribution}}$$

De Minimis Eligibility

Carriers whose expected annual contribution is less than \$10,000 are considered de minimis and are exempted from paying into the Universal Service Fund. To be exempt, a carrier must meet the de minimis criteria on both the current 499A and 499Q forms.

You meet the de minimis criteria on neither the 499A or the current 499Q. Therefore, you are not eligible for the de minimis exemption during the current quarter.

Your eligibility was calculated using the contribution factors established by the FCC for determining de minimis status on each form:

499A:

$$\frac{\text{499A Contribution Base}}{\text{499A Contribution Base}} * \frac{0.152000}{\text{FCC Estimated Annual Factor}} = \frac{\text{Estimated 499A Contribution}}{\text{Estimated 499A Contribution}}$$

499Q:

$$\frac{\text{Adjusted Contribution}}{\text{Adjusted Contribution}} * 4 = \frac{\text{Estimated 499Q Contribution}}{\text{Estimated 499Q Contribution}}$$

For more information on the FCC estimated annual factor, please see the Form 499A Instructions. For more information on the current FCC contribution factor, visit the FCC website at www.fcc.gov.

Support Mechanism Charges

Your total monthly contribution is determined by multiplying one-third of your adjusted quarterly contribution base by the current quarter's FCC contribution factor.

$$\frac{1}{3} * \frac{\text{Adjusted Quarterly Contribution}}{\text{Adjusted Quarterly Contribution}} = \frac{\text{Total Monthly Contribution}}{\text{Total Monthly Contribution}}$$



Filer 499 ID: 831453
 Invoice Number: UBDI0000846001
 Statement Date: 05/20/2016

LATE FILING SANCTION

A late filing fee (described on the reverse of the invoice) may be imposed for failing to file a Worksheet (Form 499-Q or 499-A). That late filing fee is the greater of \$100 per month or an amount computed using the rate of the U.S. prime rate (in effect on the date the applicable Worksheet is due) plus 3.5 percent multiplied against the filer's monthly contribution obligation as determined by the Administrator. The fee, included in the BALANCE DUE is a DELINQUENT DEBT if not paid, and subject to COLLECTION ACTION. The reverse of the Invoice provides more information.

| Filing - Due Date A | Monthly USF Obligation B | Filing Received Date C | Rate D | Days/Months Delinquent E | Additional Sanction Amount F | Accrued Sanction Amount G | Total Sanction Amount (F + G) H |
|------------------------|--------------------------------|---------------------------------|-----------|--------------------------------|---------------------------------------|------------------------------------|--|
| Apr 15 499A - 4/1/2015 | NA | 05/02/2016 | 100.00/mo | 14 MONTH(S) | \$1,400.00 | \$0.00 | \$1,400.00 |
| Apr 14 499A - 4/1/2014 | NA | 05/02/2016 | 100.00/mo | 26 MONTH(S) | \$2,600.00 | \$0.00 | \$2,600.00 |
| TOTAL | | | | | \$4,000.00 | \$0.00 | \$4,000.00 |



Filer 499 ID: 831453
 Invoice Number: UBDI0000846001
 Statement Date: 05/20/2016

Interest & DCIA Penalties

A DELINQUENT DEBT incurs interest at the annual rate equal to the U.S. prime rate as of the DATE OF DELINQUENCY plus 3.5 percent from that DATE until the DEBT is paid in full. Any portion of the DEBT unpaid more than 90 days, incurs a penalty of 6 percent a year from the DATE OF DELINQUENCY. The reverse of the Invoice provides more information on interest, penalties, and administrative charges.

| Description - Debt Due Date | Principal | Payment/ Credit Date | Interest Rate | Days Late | Additional Interest (B* (D/365)*E) | Accrued Interest | Total Interest (F+G) | Payment & Credits Applied | Interest Outstanding | Principal Outstanding |
|--------------------------------|------------|-------------------------|------------------|--------------|--|---------------------|----------------------------|------------------------------|-------------------------|--------------------------|
| A | B | C | D | E | F | G | H | I | J | K |
| <hr/> | | | | | | | | | | |
| Outstanding Items | | | | | | | | | | |
| UBDI0000846001 - 6/15/2016 | \$4,000.00 | | 0.00% | 0 | \$0.00 | \$0.00 | \$0.00 | | \$0.00 | \$4,000.00 |
| | | | | | <hr/> | | | | | |
| | | | | | \$0.00 | | | <hr/> | <hr/> | <hr/> |
| | | | | | | | | \$0.00 | \$0.00 | \$4,000.00 |
| | | | | | | | | Principal Outstanding | | \$4,000.00 |
| | | | | | | | | Interest & Penalties | | \$0.00 |
| | | | | | | | | Total Amount Due | | <hr/> |
| | | | | | | | | | | \$4,000.00 |

EXHIBIT B – SECOND USAC INVOICE



Filer 499 ID: 831453
 Invoice Number: UBDI0000851938
 Statement Date: 06/22/2016
 New Balance: \$ 44,800.00
 Payment Due Date: 07/15/2016
 Amount Enclosed:

Novacom, Inc.
 Attention: Cris Trapani
 P.O. Box 578,
 Herrin, IL, 62948

Mail Payment To:

Universal Service Administrative Company
 PO Box 105056
 Atlanta, GA 30348-5056

Address Change? See reverse side for instructions.

☐ If paying for multiple Filer 499 IDs, please check here and complete form on back.

Send top portion of statement with payment in enclosed envelope. Keep bottom portion for your records.

STATEMENT OF ACCOUNT

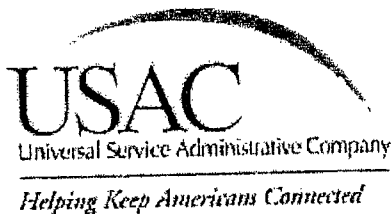
| Date | Description | Charges | Credits |
|------------|---|--------------------|---------|
| | Previous Balance | \$4,000.00 | |
| 06/15/2016 | Late Filing Sanction | \$40,800.00 | |
| | TOTAL OUTSTANDING USAC BALANCE AS OF 6/15/2016 | \$44,800.00 | |

Universal Service Administrative Company

Transactions occurring after 06/15/2016 are not reflected on this statement.

Under the Debt Collection Improvement Act of 1996 (Pub. L. 104-134) (DCIA), your BALANCE DUE is a demand that you pay a DEBT owed to the United States on or before the DUE DATE. If the DUE DATE is non-business day, payment must be received the business day before that date. Any portion of the DEBT unpaid after the DUE DATE is a DELINQUENT DEBT, which may result in sanctions, including interest, penalties, and administrative charges. Failure to file a Telecommunications Worksheet may result in a late filing fee DEBT added to your BALANCE DUE. Read the reverse of this Invoice for important information about those sanctions and your legal rights and obligations.

| Statement Date | Invoice Number | Filer 499 ID | Balance Due USAC |
|---|----------------|--|------------------|
| 06/22/2016 | UBDI0000851938 | 831453 | \$ 44,800.00 |
| FORM 499Q DATA This month's support mechanism charges were calculated using an FCC contribution factor of 0.179000 and the following revenue data: <u>February 2016 499Q</u> 120b 120c If the figures do not correspond with your records, please contact USAC Customer Service at 888-641-8722 | | PAYMENT INFORMATION All payments received (regardless of specific instructions) will be applied to your outstanding USAC balance in historical order as outlined in FCC order 07-150. Please remit ACH payments in a CCD+ format to ABA #071000039, Account #5590045653. All Wire Transfers should be sent to ABA #026009593, DDA (or Account) #5590045653. Payments must include your Company Name, Filer 499 ID, and Invoice Number to ensure timely posting. | |



Filer 499 ID: 831453
 Invoice Number: UBDI0000851938
 Statement Date: 06/22/2016

DETAILED SUMMARY OF CHARGES AND CREDITS

SUPPORT MECHANISM CHARGES

Your monthly support mechanism charges were calculated according to the following formulas:

Quarterly Contribution Base

The quarterly contribution base is a portion of your quarterly revenue that USAC considers when determining your quarterly Universal Service Fund contribution. The quarterly contribution base equals your interstate plus international revenue. Your current quarterly contribution base equals:

$$\frac{\text{Interstate Revenue (Line 120B)}}{\text{Interstate Revenue (Line 120B)}} + \frac{\text{International Revenue (Line 120C)}}{\text{International Revenue (Line 120C)}} = \frac{\text{Quarterly Contribution Base}}{\text{Quarterly Contribution Base}}$$

Adjusted Quarterly Contribution

USAC adjusts carriers' quarterly contribution bases by the amount that they are expected to contribute in that quarter. The calculation for an adjusted contribution amount is as follows, and takes into account the circularity deduction:

$$\frac{\text{Quarterly Contribution Base}}{\text{Quarterly Contribution Base}} * \frac{0.179000}{\text{FCC Contribution Factor}} = \frac{\text{Unadjusted Contribution}}{\text{Unadjusted Contribution}}$$

$$\frac{\text{Unadjusted Contribution}}{\text{Unadjusted Contribution}} - \left(\frac{\text{Unadjusted Contribution}}{\text{Unadjusted Contribution}} * \frac{0.153228}{\text{FCC Circularity Factor}} \right) = \frac{\text{Adjusted Contribution}}{\text{Adjusted Contribution}}$$

De Minimis Eligibility

Carriers whose expected annual contribution is less than \$10,000 are considered de minimis and are exempted from paying into the Universal Service Fund. To be exempt, a carrier must meet the de minimis criteria on both the current 499A and 499Q forms.

You meet the de minimis criteria on both the 499A and the current 499Q. Therefore, you are eligible for the de minimis exemption during the current quarter.

Your eligibility was calculated using the contribution factors established by the FCC for determining de minimis status on each form:

499A:

$$\frac{\text{499A Contribution Base}}{\text{499A Contribution Base}} * \frac{0.152000}{\text{FCC Estimated Annual Factor}} = \frac{\text{Estimated 499A Contribution}}{\text{Estimated 499A Contribution}}$$

499Q:

$$\frac{\text{Adjusted Contribution}}{\text{Adjusted Contribution}} * 4 = \frac{\text{Estimated 499Q Contribution}}{\text{Estimated 499Q Contribution}}$$

For more information on the FCC estimated annual factor, please see the Form 499A Instructions. For more information on the current FCC contribution factor, visit the FCC website at www.fcc.gov.

Support Mechanism Charges

Your total monthly contribution is determined by multiplying one-third of your adjusted quarterly contribution base by the current quarter's FCC contribution factor.

$$\frac{1/3}{1/3} * \frac{\text{Adjusted Quarterly Contribution}}{\text{Adjusted Quarterly Contribution}} = \frac{\text{Total Monthly Contribution}}{\text{Total Monthly Contribution}}$$



Filer 499 ID: 831453
 Invoice Number: UBDI0000851938
 Statement Date: 06/22/2016

Interest & DCIA Penalties

A DELINQUENT DEBT incurs interest at the annual rate equal to the U.S. prime rate as of the DATE OF DELINQUENCY plus 3.5 percent from that DATE until the DEBT is paid in full. Any portion of the DEBT unpaid more than 90 days, incurs a penalty of 6 percent a year from the DATE OF DELINQUENCY. The reverse of the Invoice provides more information on interest, penalties, and administrative charges.

| Description - Debt Due Date | Principal | Payment/ Credit Date | Interest Rate | Days Late | Additional Interest (B* (D/365)*E) | Accrued Interest | Total Interest (F+G) | Payment & Credits Applied | Interest Outstanding | Principal Outstanding |
|--------------------------------|-------------|-------------------------|------------------|--------------|--|---------------------|----------------------------|------------------------------|-------------------------|---------------------------------|
| A | B | C | D | E | F | G | H | I | J | K |
| Outstanding Items | | | | | | | | | | |
| UBDI0000846001 - 6/15/2016 | \$4,000.00 | | 7.00% | 0 | \$0.00 | \$0.00 | \$0.00 | | \$0.00 | \$4,000.00 |
| UBDI0000851938 - 7/15/2016 | \$40,800.00 | | 0.00% | 0 | \$0.00 | \$0.00 | \$0.00 | | \$0.00 | \$40,800.00 |
| | | | | | \$0.00 | | | \$0.00 | \$0.00 | \$44,800.00 |
| | | | | | | | | | | Principal Outstanding |
| | | | | | | | | | | \$44,800.00 |
| | | | | | | | | | | Interest & Penalties |
| | | | | | | | | | | \$0.00 |
| | | | | | | | | | | Total Amount Due |
| | | | | | | | | | | \$44,800.00 |



Filer 499 ID: 831453
 Invoice Number: UBDI0000851938
 Statement Date: 06/22/2016

LATE FILING SANCTION

A late filing fee (described on the reverse of the invoice) may be imposed for failing to file a Worksheet (Form 499-Q or 499-A). That late filing fee is the greater of \$100 per month or an amount computed using the rate of the U.S. prime rate (in effect on the date the applicable Worksheet is due) plus 3.5 percent multiplied against the filer's monthly contribution obligation as determined by the Administrator. The fee, included in the BALANCE DUE is a DELINQUENT DEBT if not paid, and subject to COLLECTION ACTION. The reverse of the Invoice provides more information.

| Filing - Due Date A | Monthly USF Obligation B | Filing Received Date C | Rate D | Days/Months Delinquent E | Additional Sanction Amount F | Accrued Sanction Amount G | Total Sanction Amount (F + G) H |
|------------------------|--------------------------------|---------------------------------|-----------|--------------------------------|---------------------------------------|------------------------------------|--|
| Apr 13 499A - 4/1/2013 | NA | 05/06/2016 | 100.00/mo | 38 MONTH(S) | \$3,800.00 | \$0.00 | \$3,800.00 |
| Apr 12 499A - 4/2/2012 | NA | 05/05/2016 | 100.00/mo | 50 MONTH(S) | \$5,000.00 | \$0.00 | \$5,000.00 |
| Apr 11 499A - 4/1/2011 | NA | 05/05/2016 | 100.00/mo | 62 MONTH(S) | \$6,200.00 | \$0.00 | \$6,200.00 |
| Apr 10 499A - 4/1/2010 | NA | 05/05/2016 | 100.00/mo | 74 MONTH(S) | \$7,400.00 | \$0.00 | \$7,400.00 |
| Apr 09 499A - 4/1/2009 | NA | 05/05/2016 | 100.00/mo | 86 MONTH(S) | \$8,600.00 | \$0.00 | \$8,600.00 |
| Apr 08 499A - 4/1/2008 | NA | 05/05/2016 | 100.00/mo | 98 MONTH(S) | \$9,800.00 | \$0.00 | \$9,800.00 |
| TOTAL | | | | | \$40,800.00 | \$0.00 | \$40,800.00 |

**IMPORTANT LEGAL INFORMATION ABOUT YOUR ACCOUNT
AND YOUR RIGHTS AND OBLIGATIONS**

1. **DEMAND FOR PAYMENT, DUE DATE & DELINQUENCY.** Under 31 U.S.C. § 3701, C.F.R. § 901.2 and 47 C.F.R. § 1.1911, this is a First Demand for Payment of your **BALANCE DUE**, which is a DEBT owed to the United States. Any portion of that amount unpaid after the **PAYMENT DUE DATE** (i.e., the **DATE OF DELINQUENCY**) is a **DELINQUENT DEBT** for which USAC and the FCC may take **COLLECTION ACTION** against you as a **DELINQUENT DEBTOR**. Under 31 U.S.C. § 3717, we will assess interest, penalties and administrative charges (below), from the **DATE OF DELINQUENCY**, and if the DEBT remains delinquent, we will refer the matter to the Secretary of the Treasury (Treasury) or the Department of Justice (Justice). **COLLECTION ACTION** may also include judicial enforcement by Justice and/or administrative action by the FCC or Treasury, e.g.: administrative offset, denial of certain federal benefits, and/or referral to private collection attorneys, any or all of which may incur additional charges. Under 31 U.S.C. § 3716, the United States may collect the debt by administrative offset. In addition, the USAC and the FCC will withhold action on any pending application (Red Light) made by a **DELINQUENT DEBTOR**, and the delinquency will be reported to credit-reporting agencies. You may learn more about the DCIA by reading 31 U.S.C. §§ 3701, 3711, 3716, 3717, and 3720B, the Federal Claims Collection Standards (e.g., 31 C.F.R. § 900.1, *et seq.*), and 47 C.F.R. § 1.1901, *et seq.*
2. **RECORD REVIEW.** If you believe the amount of the **BALANCE DUE** is in error, you may ask to inspect, or for USAC to review, the records relevant to this invoice, by submitting, within 15 days of this invoice date, a written request for inspection or review specifying the nature of the error(s) to **CUSTOMER SERVICE**. If you wish to appeal this invoice, you may file an appeal within 60 days of the statement date on the invoice pursuant to the requirements of 47 C.F.R. Part 54, Subpart I. Detailed instructions for filing appeals are available at <http://www.usac.org/cont/about/program-integrity/appeals.asp>
3. **PAYMENT PLAN.** If you are unable to pay the **BALANCE DUE** in full, you may request a written payment plan agreement, the terms of which will require interest and administrative charges.
4. **CONSEQUENCES IF YOU DO NOT PAY THE FULL BALANCE DUE.** A failure to submit payment may result in sanctions, including, but not limited to, administrative or judicial proceedings to recover the **DELINQUENT DEBT**, and all accrued administrative charges, penalties, and interest, as set forth below.
- INTEREST, PENALTIES, AND CHARGES.** Interest at the annual rate equal to the U.S. prime rate as of the **DATE OF DELINQUENCY** plus 3.5 percent accrues from that DATE until the DEBT is paid in full. This interest rate incorporates administrative charges of collection pursuant to 47 C.F.R. § 54.713. Moreover, a penalty of 6 percent a year accrues on any part of the DEBT that is more than 90 days DELINQUENT. If the DEBT remains unpaid, the full amount of the **DELINQUENT DEBT**, plus accrued interest and penalties, may be transferred to the Treasury or Justice for **COLLECTION ACTION**, and you will be required to pay the administrative costs of processing and handling a **DELINQUENT DEBT** as set by the Treasury (currently 28 percent of the debt). However, if you pay the full amount of the **DELINQUENT DEBT** and associated administrative fees within 30 days of the due date, the interest will be waived. These requirements are set out at 31 U.S.C. § 3717.
5. **LATE FILING FEES FOR INCOMPLETE OR LATE-FILED WORKSHEETS.** Telecommunications Reporting Worksheet (Worksheet) Forms 499-Q or 499-A must be received on Feb 1, Apr 1 (499-A), May 1, Aug 1, and Nov 1. A Worksheet not received when due is DELINQUENT, and if more than 30 days DELINQUENT, USAC will assess a **LATE FILING FEE** equal to the greater of \$100 per month or an amount computed using the rate of the U.S. prime rate (in effect on the date the applicable Worksheet is due) plus 3.5 percent applied to the amount due per an invoice calculated by USAC. The **LATE FILING FEE** will be included in the **BALANCE DUE**. Any portion of the **LATE FILING FEE** unpaid after the **DUE DATE** will be DELINQUENT and subject to DCIA procedures discussed above, including **INTEREST, PENALTIES, and CHARGES**.

If you fail to file your Worksheet and to pay your contribution, interest will accrue on the greater amount due from the earliest date of the failure to file or to pay your contribution.

Payment for Multiple 499 Filer IDs

If paying for more than one Filer 499 ID, complete the form at (<http://www.usac.org/cont/documents/cont/pdf/payments/USACPaymentIdentificationForm.pdf>) and submit one copy with the payment coupon(s) for each ID. You may not apply a credit balance from one Filer 499 ID to pay a balance due on another Filer 499 ID. If you are submitting an electronic payment, please send your worksheet by fax or e-mail to **CUSTOMER SERVICE**.

| Filer 499 ID | Invoice Number | Amount |
|--------------|----------------|--------|
| 1 | | \$ |
| 2 | | \$ |
| 3 | | \$ |
| 4 | | \$ |
| 5 | | \$ |
| TOTAL AMOUNT | | \$ |

The Total Amount must equal the total of all checks submitted.

NOTE: By using this worksheet, you certify that payment made on behalf of another filer is in consideration of fair value on behalf of the payer, and the funds will not be reallocated, reapplied, or returned in the event of insolvency or bankruptcy.

How to Make Payments

Include the company name, filer 499 ID, and invoice number with all payments to avoid late payment charges and FCC Red Light action.

Make checks payable to:

USAC, P.O. Box 105056, Atlanta, GA 30348-5056

Address payments sent by an overnight mail service to:

USAC, c/o Bank of America (105056), 1075 Loop Road, Atlanta, GA 30337: (404) 209-6377.

Electronic payments:

Please remit ACH payments in a CCD+ format to ABA #071000039, DDA (or Account) #5590045653.

All Wire Transfers should be sent to ABA #026009593, DDA (or Account) #5590045653. U.S. Dollar & Foreign Currency Wire Transfers should use SWIFT code and address of B0FAUS3N.

Change of Invoice Billing Address

To change your USAC invoice billing address, send **CUSTOMER SERVICE** (below) your written request on company letterhead signed by a company officer with a revised FCC Form 499 (<http://www.usac.org/about/tools/forms.asp>).

Change of Address for Disbursements and Remittances

To change your disbursement or remittance information address, send USAC, FCC Form 498, 2000 L Street, NW, Suite 200, Washington, DC 20036, your written request on company letterhead signed by a company officer with a completed Form 498 (<http://www.usac.org/about/tools/forms.asp>).

CUSTOMER SERVICE will respond to matters involving:

- Universal Service Fund invoices (including change of address and errors)
- USAC disbursements (remittances, checks and ACHs)
- Form 498 and SPIN issues
- FCC Form 499 and revenue reporting issues.

Contact **CUSTOMER SERVICE** at:

USAC Billing and Disbursement
2000 L Street, NW
Suite 200
Washington, DC 20036

Phone: (888) 641-8722
Fax: (888) 637-6226
E-mail: customersupport@usac.org
Web: www.usac.org